

JANICE K. BREWER

Governor



HERBERT R. GUENTHER

Director

**ARIZONA DEPARTMENT OF WATER RESOURCES**

3550 North Central Avenue, Second Floor  
PHOENIX, ARIZONA 85012-2105

(602) 771-8500

September 29, 2010

**Via Certified Mail**

7004 2510 0000 8660 0997

City of Phoenix  
David Cavazos  
City Manager  
200 W Washington St 12<sup>th</sup> floor  
Phoenix, AZ 85003

**Re: Designation of Assured Water Supply (DWR No. 86-002030.0001)  
City of Phoenix**

Dear Mr. Cavazos:

I am pleased to inform you that the Arizona Department of Water Resources has approved the Modification of the City of Phoenix's Designation of Assured Water Supply. We have enclosed the formal Decision and Order. The Decision and Order includes an itemization of the City of Phoenix's responsibilities in maintaining the Designation.

The City of Phoenix's status as a designated water provider demonstrates that the City of Phoenix is taking a long-term perspective in managing water resources. The City of Phoenix's commitment to sound water management represents a major contribution to the State's water management goal of achieving safe-yield in the Phoenix Active Management Area.

If you have any questions regarding these documents, please contact Scott Miller at (602) 771-8604.

Sincerely,

A handwritten signature in black ink, reading "Sandra Fabritz Whitney".  
Sandra Fabritz Whitney  
Assistant Director

cc: Via electronic mail:  
Steve Rossi, City of Phoenix  
Robin King, Arizona Department of Real Estate  
J. Scott Miller, Manager, Groundwater Permitting and Wells

1 **DEPARTMENT OF WATER RESOURCES**

2 **BEFORE THE DIRECTOR**

3  
4 **IN THE MATTER OF THE APPLICATION OF THE** )  
5 **CITY OF PHOENIX FOR A DESIGNATION AS** ) **AWS No. 2010-010**  
6 **HAVING AN ASSURED WATER SUPPLY** ) **DECISION AND ORDER**  
7 ) **No. 86-002030.0001**  
8 )

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9 **I. INTRODUCTION**

10 On January 5, 2009, the Department of Water Resources ("Department") received an  
11 application from the City of Phoenix ("Phoenix") requesting that the Department modify  
12 Phoenix's designation of assured water supply pursuant to A.R.S. § 45-576 *et seq.* and A.A.C.  
13 R12-15-701 *et seq.* On July 15, 2010 and July 22, 2010, the Department gave public notice of  
14 the application pursuant to A.R.S. § 45-578. One objection to the application was filed with  
15 the Department.

16 After receiving Phoenix's application to modify its designation of assured water supply,  
17 the Department reviewed relevant information regarding the modification request, including: 1)  
18 hydrologic information and other information on file with the Department for the proposed  
19 groundwater supply, 2) information regarding Phoenix's consistency with the management plan  
20 and the management goal of the Phoenix Active Management Area ("Phoenix AMA"); 3)  
21 information regarding Phoenix's financial capability to construct the necessary delivery  
22 system, treatment works and storage facilities; and 4) the issues raised by the objection to the  
23 application. Based on that information, the Department makes the following Findings of Fact,  
24 Conclusions of Law and Order of Designation and Conditions of Designation:  
25  
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1 **II. FINDINGS OF FACT**

2  
3 **A. General**

- 4 1. Phoenix is a city incorporated in accordance with Article XIII of the Arizona  
5 Constitution.  
6 2. Phoenix has the legal authority to deliver water to its customers located within its  
7 service area.  
8 3. Phoenix currently serves water through its municipal distribution system to its  
9 customers.  
10 4. On December 31, 1997, Phoenix was designated as having an assured water supply in  
11 Decision and Order AWS 97-005, No. 26-002030.

12 **B. Water Demands**

- 13 5. Phoenix's current demand as of calendar year 2008 is 304,509 acre-feet per year  
14 ("current demand").  
15 6. Phoenix's committed demand as of calendar year 2008 is 7,764 acre-feet per year  
16 ("committed demand").  
17 7. Phoenix's projected demand in 2025 is 170,563 acre-feet per year ("2025 projected  
18 demand"). The 2025 projected demand does not include the current demand or the  
19 committed demand, but does include the demand at build-out of plats reasonably  
20 projected to be approved through calendar year 2025.  
21 8. Phoenix's annual estimated water demand in 2025, which is the sum of its current  
22 demand, committed demand, and 2025 projected demand, is 482,836 acre-feet per year  
23 ("2025 annual estimated water demand").

24 **C. Physical Availability of Groundwater and Stored Water Recovered Outside the**  
25 **Area of Impact**

- 26 9. Phoenix has demonstrated that after withdrawing 4,194,096 acre-feet, or an average of  
41,940.96 acre-feet per year over 100 years, of groundwater and stored water recovered  
outside the area of impact (*see* Finding of Fact No. 24), the depth-to-static water level

1 within Phoenix's service area is not expected to exceed 1,000 feet below land surface.  
2 For purposes of this Decision and Order, that volume includes the following:

- 3 a. 180,988.63 acre-feet, or an average of 1,809.89 acre-feet per year over 100  
4 years, of existing long-term storage credits to be recovered outside the area of  
5 impact. See Finding of Fact No. 26.
- 6 b. 72,483 acre-feet, or an average of 724.83 acre-feet per year over 100 years, of  
7 groundwater that Phoenix may use to supplement its surface water supplies,  
8 pursuant to A.A.C. R12-15-717(C)(3). See Finding of Fact No. 39.
- 9 c. 24,424 acre-feet, or an average of 244.24 acre-feet per year over 100 years, of  
10 groundwater that Phoenix may use to supplement its CAP water supplies,  
11 pursuant to A.A.C. R12-15-717(D)(2). See Finding of Fact No. 65.
- 12 d. 201,700 acre-feet, or an average of 2,017 acre-feet per year over 100 years, of  
13 water that Phoenix may store and recover outside the area of impact to  
14 supplement its CAP water supplies during shortages, pursuant to A.A.C. R12-  
15 15-717(D)(2). See Finding of Fact No. 67.
- 16 e. 15,000 acre-feet, or an average of 150 acre-feet per year over 100 years, of  
17 groundwater that Phoenix may use to supplement its GRIC leased CAP water in  
18 calendar year 2109, pursuant to A.A.C. R12-15-718(M)(2). See Finding of Fact  
19 No. 63.
- 20 f. 3,699,500 acre-feet, or an average of 36,995 acre-feet per year over 100 years,  
21 of groundwater to meet annual demands. See Finding of Fact No. 17.

#### 22 **D. Groundwater**

- 23 10. Phoenix has demonstrated that it has wells of sufficient capacity to withdraw at least  
24 130,000 acre-feet per year of groundwater for 100 years.
- 25 11. Phoenix has the right to withdraw and deliver groundwater to its customers pursuant to  
26 service area right No. 56-002030.
12. As of the date of this Decision and Order, Phoenix's current groundwater allowance is  
1,950,942 acre-feet, or an average of 19,509.42 acre-feet per year over 100 years,  
pursuant to A.A.C. R12-15-724(A)(2).

- 1 13. Pursuant to A.A.C. R12-15-724(A)(4), the Director shall add a volume for incidental  
2 recharge to Phoenix's groundwater allowance for each calendar year, based upon its  
3 total water use from any source in the previous calendar year.
- 4 14. Based on its reported water use within its service area for calendar year 2008, Phoenix's  
5 incidental recharge volume for calendar year 2009 is 13,093.92 acre-feet.
- 6 15. If Phoenix delivers 470,532 acre-feet per year of water for use within its service area in  
7 calendar year 2024, its incidental recharge volume for calendar year 2025 will be  
8 20,232.88 acre-feet ("2025 incidental recharge volume").
- 9 16. The sum of Phoenix's current groundwater allowance and 2025 incidental recharge  
10 volume is 39,742.30 acre-feet per year. This volume of groundwater will be consistent  
11 with the management goal each year for 100 years and exceeds the sum of the volumes  
12 described in Findings of Fact Nos. 17 and 18.
- 13 17. Phoenix has demonstrated that an average of 36,995 acre-feet per year of groundwater  
14 to meet annual demands will be physically, continuously and legally available for 100  
15 years and consistent with the management goal of the Phoenix AMA.
- 16 18. In addition to the groundwater supplies described in Finding of Fact No. 17, Phoenix  
17 has demonstrated that 15,000 acre-feet, or an average of 150 acre-feet per year over 100  
18 years, of groundwater that Phoenix may use to supplement its GRIC leased CAP water  
19 in calendar year 2109, pursuant to A.A.C. R12-15-718(M)(2), will be physically,  
20 continuously and legally available and consistent with the management goal.
- 21 19. In addition to the groundwater supplies described in Findings of Fact Nos. 17 and 18,  
22 Phoenix has demonstrated that the following volumes of groundwater will be  
23 physically, continuously and legally available:
- 24 a. 72,483 acre-feet, or an average of 724.83 acre-feet per year over 100 years, of  
25 groundwater that Phoenix may use to supplement its surface water supplies,  
26 pursuant to A.A.C. R12-15-717(C)(3). See Finding of Fact No. 39.
- b. 24,424 acre-feet, or an average of 244.24 acre-feet per year over 100 years, of  
groundwater that Phoenix may use to supplement its CAP water supplies,  
pursuant to A.A.C. R12-15-717(D)(2). See Finding of Fact No. 65.

**E. Storage and Recovery**

20. Phoenix holds Water Storage Permit No. 73-516371.0601, which allows storage of a maximum volume of 80,000 acre-feet per year of Central Arizona Project (“CAP”) water and 40,350 acre-feet per year of Additional Active Conservation Capacity (“AACC”) surface water (see Findings of Fact Nos. 30-32) at Granite Reef Underground Storage Project (“GRUSP”).
21. According to an agreement between Phoenix, the Town of Gilbert, the City of Mesa, the City of Chandler, the City of Scottsdale, the City of Tempe, and the Salt River Valley Water Users' Association and Salt River Project Agricultural Improvement and Power District (“SRP”), Phoenix is entitled to store a maximum volume of 26,880 acre-feet per year of CAP water and AACC surface water at GRUSP.
22. Phoenix holds Water Storage Permit No. 73-591936.0000, which allows storage of up to 1,935 acre-feet per year of CAP water and Salt and Verde River water at Tramonto Recharge Facility.
23. Phoenix holds Water Storage Permit No. 73-595199.0000, which allows storage of a maximum volume of 8,961 acre-feet per year of effluent at the City of Phoenix Cave Creek Recharge Facility.
24. Phoenix holds Water Storage Permit No. 73-595208.0000, which allows storage of a maximum volume of 1,742 acre-feet per year of CAP water at the City of Phoenix North Gateway Facility.
25. Phoenix holds Recovery Well Permit Nos. 74-584460.0001 and 74-205389, which allow recovery of a total of 24,046 acre-feet per year outside the area of impact of storage.

**F. Long-Term Storage Credits**

26. As of December 31, 2008, Phoenix holds 180,988.63 acre-feet of long-term storage credits.
27. Phoenix has demonstrated that up to 180,988.63 acre-feet of long-term storage credits, or an average of 1,809.89 acre-feet per year of long-term storage credits to be recovered outside the area of impact are physically, continuously and legally available for 100 years, for purposes of this Decision and Order.

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1 32. In a Decision and Order dated April 10, 1996, the Director granted Phoenix a permit to  
2 appropriate "the lesser of 205,750 acre feet per year, or its share of the maximum  
3 amount of water that is captured in the Additional Active Conservation Capacity in any  
4 water year."

5 33. In the April 10, 1996 Decision and Order, the Director found that "[t]he average annual  
6 yield of the AACC is estimated to be 73,800 acre feet." Based on its financial  
7 contribution, Phoenix's share of 73,800 acre-feet is 32,300 acre-feet per year.

8 **iii. Phoenix Gatewaywater**

9 34. In 1948, Phoenix entered into a contract with the Federal Government and SRP that  
10 allows Phoenix access to a volume of surface water ("Phoenix Gatewaywater") in exchange  
11 for funding the construction of spillway gates at Horseshoe Dam. A contract provision  
12 allows Phoenix to accumulate up to 150,000 acre-feet at the Dam at any one time.

13 35. The 2008 SRP Study projects that future accumulation of Phoenix Gatewaywater based on  
14 the full period of record for reservoir inflows will allow Phoenix to take delivery of  
15 approximately 25,000 acre-feet per year.

16 **iv. Water to Serve P-H Lands**

17 36. In 2003, Phoenix entered into an agreement with SRP to deliver water that SRP is  
18 obligated to serve to landowners within the Peninsula, Horowitz and Champion ditches  
19 lands ("P-H lands") according to a 1930 agreement between the landowners and SRP.  
20 Pursuant to the 2003 agreement, SRP is obligated to deliver to Phoenix water treatment  
21 plants the amount of water required to serve P-H lands.

22 37. Phoenix states in its application that approximately 1,000 acre-feet per year will be  
23 required to serve P-H lands throughout the term of this Designation.

24 **v. Continuous Availability of Surface Water**

25 38. The 2008 SRP Study incorporates storage of surface water in SRP reservoirs in its  
26 assessment of the availability of surface water within its system.

39. The 2008 SRP Study also states that SRP may provide alternative supplies, including  
groundwater and surface water supplies not included in the analysis "[d]uring periods of  
below average inflow when reservoir storage is low."

40. The volume of groundwater described in Finding of Fact No. 9 includes 72,483 acre-  
feet, or an average of 724.83 acre-feet per year over 100 years, of groundwater that

Phoenix may use to supplement its surface water supplies in times of shortage, pursuant to A.A.C. R12-15-717(C)(3).

**vi. Summary**

41. Phoenix has demonstrated that 277,947 acre-feet per year of surface water to be treated and delivered, without storage, is physically, continuously and legally available for 100 years. This volume includes 219,647 acre-feet per year of SRP water, 32,300 acre-feet per year of AACC surface water, 25,000 acre-feet per year of Phoenix Gateway, and 1,000 acre-feet per year of surface water to serve P-H lands.

**I. CAP Water: Physical, Continuous and Legal Availability**

**i. Phoenix M&I CAP Water Allocation**

42. Phoenix holds a long-term, non-declining municipal and industrial ("M&I") subcontract for CAP water with the Central Arizona Water Conservation District for 122,120 acre-feet per year.

**ii. Hohokam CAP Water**

43. Phoenix was allocated a volume of 36,144 acre-feet per year of CAP water that was originally allocated to the Hohokam Irrigation District ("Hohokam CAP water").
44. The Hohokam CAP water has a priority equivalent to non-Indian agricultural priority through 2043. In 2044, this volume of water will convert to long-term, non-declining M&I priority.
45. The Department calculated the likelihood of shortages of Colorado River water, the likely volumes of such shortages, and the likely impact to allocations subject to such shortages over the 100-year period. The Department determined that Phoenix's Hohokam CAP water will be subject to an average shortage of 1,775 acre-feet per year over 100 years.
46. Based on the Department's calculations regarding the likelihood of shortages of Colorado River water, the volumes of such shortages, and the impact to allocations subject to such shortages over the 100-year period, and taking into account Phoenix's ability to store and recover CAP water, the Department has determined that an annual volume of 34,369 acre-feet per year of Hohokam CAP water will be physically, continuously and legally available to Phoenix for 100 years.

**iii. RWCD CAP Water**

47. As part of the Salt River Pima-Maricopa Indian Community Water Rights Settlement ("SRP-MIC Settlement"), Phoenix was allocated a volume of 1,136 acre-feet per year of CAP water that had been originally allocated to the Roosevelt Water Conservation District ("RWCD CAP water").
48. The RWCD CAP water has a priority equivalent to non-Indian agricultural priority.
49. The Department calculated the likelihood of shortages of Colorado River water, the likely volumes of such shortages, and the likely impact to allocations subject to such shortages over the 100-year period. The Department determined that Phoenix's RWCD CAP water will be subject to an average shortage of 242 acre-feet per year over 100 years.
50. Based on the Department's calculations regarding the likelihood of shortages of Colorado River water supplies, the volumes of such shortages, and the impact to allocations subject to such shortages over the 100-year period, and taking into account Phoenix's ability to store and recover CAP water, the Department has determined that an annual volume of 894 acre-feet per year of RWCD CAP water will be physically, continuously and legally available to Phoenix for 100 years.

**iv. WMIDD CAP Water**

51. Pursuant to the SRP-MIC Settlement, Phoenix was also allocated a volume of 5,000 acre-feet per year of CAP water that had originally been part of the Wellton-Mohawk Irrigation and Drainage District's Colorado River entitlement ("WMIDD CAP water").
52. The WMIDD CAP water has retained its third priority status.

**v. SRP-MIC Leased CAP Water**

53. As part of the SRP-MIC Settlement, Phoenix also holds a lease with the Salt River Pima-Maricopa Indian Community ("SRP-MIC") for 3,023 acre-feet per year of CAP water ("SRP-MIC leased CAP water").
54. The SRP-MIC leased CAP water has a CAP M&I priority.
55. Phoenix's lease with SRP-MIC will expire in calendar year 2098.
56. The Director previously determined that 3,023 acre-feet per year of SRP-MIC leased CAP water was legally available to Phoenix for 100 years in Decision and Order AWS 97-005, No. 26-002030.0000.

**vi. FMIC Leased CAP Water**

57. As part of the Fort McDowell Indian Community (“FMIC”) Water Rights Settlement, Phoenix holds a lease with the FMIC for 4,300 acre feet per year of CAP water (“FMIC leased CAP water”).
58. The FMIC leased CAP water has a CAP M&I priority.
59. Phoenix’s lease with FMIC will expire in calendar year 2100.
60. The Director previously determined that 4,300 acre-feet per year of FMIC leased CAP water was legally available to Phoenix for 100 years in Decision and Order AWS 97-005, No. 26-002030.0000.

**vii. GRIC Leased CAP Water**

61. As part of the Gila River Indian Community (“GRIC”) Water Rights Settlement, Phoenix holds a lease with the GRIC for 15,000 acre-feet per year of CAP water (“GRIC leased CAP water”).
62. Phoenix’s lease with GRIC will expire in calendar year 2108.
63. The GRIC CAP water has a CAP M&I priority.
64. Phoenix has demonstrated that in calendar year 2109, 15,000 acre-feet of groundwater will be physically, continuously and legally available and consistent with the management goal of the Phoenix AMA, for purposes of A.A.C. R12-15-718(M)(2). See Findings of Fact Nos. 9-11 and 16-18.

**viii. Legal Availability of Indian Leases for 100 Years**

65. For purposes of A.A.C. R12-15-718(N)(2)(a), the volume of water obtained through all Indian Leases, 22,323 acre-feet per year, constitutes less than 15% of the total water supplies that Phoenix has demonstrated to be physically, continuously and legally available in any year.

**ix. Continuous Availability of CAP Water**

66. The volume of groundwater and stored water to be recovered outside the area of impact of storage described in Finding of Fact No. 9 includes 24,424 acre-feet, or an average of 244.24 acre-feet per year over 100 years, of groundwater that Phoenix may use to supplement its CAP water supplies, pursuant to A.A.C. R12-15-717(D)(2).
67. Based on the Department’s calculations of the likelihood of shortages of Colorado River water, the likely volumes of such shortages, and the likely impact to allocations subject

to such shortages over the 100-year period, the Department determined that Phoenix's Hohokam CAP water and RWCD CAP water will be subject to a total average shortage of 2,017 acre-feet per year over 100 years.

68. The volume of groundwater and stored water to be recovered outside the area of impact of storage described in Finding of Fact No. 9 includes 201,700 acre-feet, or an average of 2,017 acre-feet per year over 100 years of water to be stored and recovered outside the area of impact to supplement its CAP water supplies during shortages, pursuant to A.A.C. R12-15-717(D)(2).

**x. Summary**

69. Phoenix has demonstrated that 184,706 acre-feet per year of CAP water is physically, continuously and legally available for 100 years. This volume includes 122,120 acre-feet per year of Phoenix's CAP M&I allocation, 34,369 acre-feet per year of Hohokam CAP water, 894 acre-feet per year of RWCD CAP water, 5,000 acre-feet per year of WMIDD CAP water, 3,023 acre-feet per year of SRP-MIC leased CAP water, 4,300 acre-feet per year of FMIC leased CAP water, and 15,000 acre-feet per year of GRIC leased CAP water.

**J. Effluent: Physical, Continuous and Legal Availability**

70. Phoenix's existing wastewater treatment facilities currently have the capacity to treat up to 308,158 acre-feet per year of effluent for non-potable uses at the following facilities:
- a. 91<sup>st</sup> Avenue Waste Water Treatment Plant currently has the capacity to treat up to 228,789 acre-feet per year of effluent.
  - b. 23<sup>rd</sup> Avenue Waste Water Treatment Plant currently has the capacity to treat up to 70,569 acre-feet per year of effluent.
  - c. Cave Creek Waste Water Treatment Plant currently has the capacity to treat up to 8,800 acre feet per year of effluent.
71. Based on an evaluation of the current, metered production of effluent, in 2025, Phoenix is projected to produce up to 258,724 acre-feet per year of effluent.
72. Phoenix has demonstrated the demand to directly deliver effluent in the amount of 8,800 acre feet per year from their wastewater treatment facilities.
73. Though not included in the volume available to Phoenix under this Decision and Order,

1 an exchange agreement between SRP, the Roosevelt Irrigation District ("RID"), SRP-  
2 MIC and Phoenix allows Phoenix to receive 20,000 acre-feet per year of surface water at  
3 its water treatment plants in exchange for effluent directly delivered for farming purposes  
4 within RID. After 2030, when the volume available through this exchange will begin to  
5 diminish due to reduced agricultural demand, Phoenix expects to identify a replacement  
6 means to utilize the available effluent in its service area.

7 **K. Consistency with the Management Plan**

- 8 74. Phoenix is currently regulated as a large municipal provider under the Municipal  
9 Conservation Program in the Third Management Plan for the Phoenix AMA  
10 ("Management Plan"). As of the date the application was filed, Phoenix has not been  
11 found to be out of compliance with the Management Plan.

12 **L. Water Quality**

- 13 75. Phoenix is regulated by the Arizona Department of Environmental Quality as a public  
14 water system pursuant to A.R.S. § 49-351, *et seq.*

15 **M. Financial Capability**

- 16 76. Phoenix has constructed the delivery system and storage facilities necessary to satisfy  
17 its 2025 annual estimated water demand.

18 **III. CONCLUSIONS OF LAW**

19  
20 Having reviewed the Findings of Fact, the Department makes the following Conclusions of  
21 Law:

- 22 1. For purposes of this Decision and Order, Phoenix has demonstrated that 36,995 acre-  
23 feet per year of groundwater, 1,809.89 acre-feet per year of long-term storage credits to  
24 be recovered outside the area of impact, 277,947 acre-feet per year of surface water to  
25 be treated and delivered without storage, 184,706 acre-feet per year of CAP water to be  
26 treated and delivered without storage, and 8,800 acre-feet per year of effluent to be  
delivered directly for non-potable uses, will be physically, continuously and legally

1 available for at least 100 years and will be consistent with the management goal.  
2 A.A.C. R12-15-716, R12-15-717, R12-15-718, R12-15-722. The sum of these  
3 volumes, 510,257.89 acre-feet per year, exceeds the 2025 annual estimated water  
4 demand of 482,836 acre-feet per year. *See* Attachment A to this Decision and Order.

5 2. Phoenix has also demonstrated that 15,000 acre-feet, or an average of 150 acre-feet per  
6 year over 100 years, of groundwater to supplement its GRIC leased CAP water,  
7 pursuant to A.A.C. R12-15-718(M)(2), will be physically, continuously and legally  
8 available and consistent with the management goal. *See* Attachment A to this Decision  
and Order.

9 3. In order to supplement the supplies identified in Conclusion of Law No. 1, Phoenix has  
10 also demonstrated that the following volumes of water will be physically, continuously  
and legally available:

11 a. 72,483 acre-feet, or an average of 724.83 acre-feet per year over 100 years, of  
12 groundwater to supplement its surface water supplies. A.A.C. R12-15-  
13 717(C)(3).

14 b. 24,424 acre-feet, or an average of 244.24 acre-feet per year over 100 years, of  
15 groundwater to supplement its CAP water supplies. A.A.C. R12-15-717(D)(2).

16 c. 201,700 acre-feet, or an average of 2,017 acre-feet per year over 100 years, of  
17 water to be stored and recovered outside the area of impact to supplement its  
18 Hohokam CAP water and RWCD CAP water supplies. A.A.C. R12-15-  
717(D)(2).

19 *See* Attachment A to this Decision and Order.

20 4. For purposes of A.A.C. R12-15-716(B)(3)(c)(ii), the volume of Phoenix's 2025 annual  
21 estimated water demand that will be met with groundwater and stored water recovered  
22 outside the area of impact is 4,194,096 acre-feet, or an average of 41,940.96 acre-feet  
per year over 100 years. *See* Attachment A to this Decision and Order.

23 5. In accordance with A.A.C. R12-15-722, Phoenix has demonstrated that its projected use  
24 of groundwater is consistent with the management goal of the Phoenix AMA.

25 6. The water supply served by Phoenix will be of adequate quality pursuant to A.A.C.  
26 R12-15-719.

7. In accordance with A.A.C. R12-15-721, Phoenix meets the standard established for determining consistency with the Management Plan for the Phoenix AMA.
8. Phoenix has satisfied the financial capability criteria prescribed in A.A.C. R12-15-720.
9. Phoenix has satisfied all the requirements for a designation of an assured water supply.

#### **IV. ORDER OF DESIGNATION AND CONDITIONS OF DESIGNATION**

Having reviewed the Findings of Fact and Conclusions of Law, the Department hereby issues this Decision and Order designating Phoenix as having an assured water supply, subject to the following conditions:

1. The Director's determination that an assured water supply exists for Phoenix is based on its analysis of the water supplies pledged by Phoenix. Nothing in this Decision and Order limits or reduces Phoenix's legal authority to use any water supply in any year.
2. This document is not intended to identify every legal basis for each water source; rather, it is a brief summary of the legal basis that satisfies the assured water supply requirements for legal availability.
3. The Director reserves the right under A.A.C. R12-15-711(C) to periodically review and modify the designation for good cause as conditions warrant.
4. Pursuant to A.A.C. R12-15-711(F), the Director may, at any time revoke this designation if the findings of fact or the conclusions of law upon which the designation is based change or are invalid, or if an assured water supply no longer exists.
5. Phoenix shall submit an application to modify this decision and order designating Phoenix as having an assured water supply to increase the term of the designation when the sum of Phoenix current demand, committed demand and two years of projected demand exceeds 482,836 acre-feet per year, or by December 31, 2023, whichever is earlier.
6. Pursuant to A.A.C. R12-15-719, Phoenix shall satisfy any state water quality requirements established for its proposed use after the date of this designation.
7. Phoenix shall annually provide to the Department the following information for the previous calendar year in the manner prescribed in A.A.C. R12-15-711(A):

- 1 a. An estimate of the demand of platted, undeveloped lots located in Phoenix's  
2 service area.
- 3 b. An estimate of the projected demand at build-out for customers with which  
4 Phoenix has entered into a notice of intent to serve agreement in the preceding  
5 calendar year.
- 6 c. A report regarding Phoenix's compliance with water quality requirements.
- 7 d. The depth-to-static water level of all wells from which Phoenix withdrew water  
8 during the previous calendar year.
- 9 e. Any other information requested by the Director to determine whether Phoenix  
10 continues to meet all the requirements necessary to maintain this designation of  
11 assured water supply.

12 **IT IS HEREBY ORDERED THAT PHOENIX BE DESIGNATED AS HAVING AN**  
13 **ASSURED WATER SUPPLY UNTIL DECEMBER 31, 2025.**

14 DATED this 29<sup>th</sup> day of September, 2010.

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17 Herbert R. Guenther  
18 Director  
19 Arizona Department of Water Resources  
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1 A copy of the foregoing  
2 **Decision and Order** mailed  
3 by certified mail this 29<sup>th</sup> day  
of SEPTEMBER, 2010, to:

4 City of Phoenix  
5 David Cavazos  
6 City Manager  
200 W Washington St 12<sup>th</sup> floor  
Phoenix, AZ 85003

Certified Mail No.:

7004 2510 0000 81000 0997

Sent by: MICHELLE MORENO

7 A copy of the foregoing sent by  
8 electronic mail this 29<sup>th</sup> day  
9 of SEPTEMBER, 2010, to:

10 City of Phoenix  
11 Steve Rossi  
200 W Washington St 9<sup>th</sup> Floor  
Phoenix, AZ 85003

12 Robin King  
13 Arizona Department of Real Estate  
2910 N. 44th Street  
14 Phoenix, AZ 85018

15 J. Scott Miller  
16 ADWR  
3550 North Central Avenue  
17 Phoenix, AZ 85012

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Decision and Order No. 86-002030.0001 (City of Phoenix Designation as Having an Assured Water Supply): Attachment A

Source	Approved (af/yr)	Capacity	Legal Authority	Comments
<b>Total Groundwater to Meet Annual Demands</b>	<b>36,995</b>	Physical availability of groundwater and stored water recovered outside the area of impact (AOI) = 41,940.96 af/yr  Groundwater Well Capacity = 130,000 af/yr	Service Area Right No. 56-002030.0000  Groundwater allowance: A.A.C. R12-15-724(A)(2): 2008 Groundwater Allowance 19,509.42  Incidental Recharge: A.A.C. R12-15-724(A)(4): 2024 water use times IR factor of 4.30% (470,532 x 0.0430 = 20,232.88)  Total Groundwater Allowance for 2020: 39,742.30	Total Groundwater to meet annual demands include: <ul style="list-style-type: none"><li>• minus 1,809.89 af/yr of long-term storage credits to be recovered outside the area of impact (“AOI”)</li><li>• minus 724.83 af/yr of groundwater to supplement surface water supplies</li><li>• minus 244.24 af/yr of groundwater to supplement CAP water supplies</li><li>• minus 150 af/yr of groundwater to supplement GRIC leased CAP water</li><li>• minus 2,017 af/yr of stored water to be recovered outside AOI to supplement Hohokam CAP water and RWCD CAP water</li></ul> =36,995 af/yr.
<b>Total Existing Long Term Storage Credits</b>	<b>1,809.89</b>	Recovery Well Permit Nos: 74-584460.0001 (18,222 af/yr), 74-205389 (5,824 af/yr),  Recovery Well Capacity =24,046 af/yr  Recharge Storage Permit Capacity = 132,988 af/yr  Physical availability of groundwater + stored water recovered outside AOI = 40,971.88 af/yr	Long Term Storage Account No: 70- 441133  Underground Storage Facility Nos: 71-591936 ( 1,935 af/yr CAP) 71-595199.0002 (8,961 af/yr effluent) 71-595208 (1,742 af/yr CAP);  Water Storage Permit Nos: 73-516371.0601, 73- 553133.0601, 73-572386.0001, 73-591936, 73-595199,73- 595208	2008 balance of 180,988.63 af divided by 100 years.

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Source	Approved (af/yr)	Capacity	Legal Authority	Comments
SRP water	219,647	2008 total Surface Water Treatment Capacity =795,300 af/yr		2008 SRP Study demonstrates physical availability.
AACC surface water	32,300			Director previously determined average yield of 73,800 af/yr. Phoenix's allocation is 32,300 af/yr.
Phoenix Gateway surface water	25,000			2008 SRP Study projects future credits based on the full period of record for reservoir inflows will average approx. 25,000 af/yr
PH Water	1,000			Pursuant to the July 28, 2003 agreement between the City of Phoenix and SRP. Included in 2008 SRP Study
Supplemental Groundwater	724.83			<i>Water supplies include 72,483 acre-feet, or an average of 724.83 af/yr over 100 years, of groundwater to supplement surface water supplies during shortages.</i>
<b>Total Surface Water</b>	<b>277,947</b>			
CAP water – M&I subcontract	122,120	2008 total Surface Water Treatment Capacity =795,300 af/yr	M&I Subcontract No: 07-XX-30-W0507	M&I Subcontract
Hohokam CAP water	34,369		Assignment of Hohokam IDD Subcontract 12/21/1993	NIA Priority through 2043; converts to M&I priority in 2044. Department's calculations of shortage probability using Reclamation model project average shortage of 1,775 af/yr over 100 years.

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Source	Approved (af/yr)	Capacity	Legal Authority	Comments
RWCD CAP water	894		SRPMIC Water Rights Settlement Act of 1988	NIA Priority Department's calculations of shortage probability using Reclamation model project average shortage of 244 af/yr over 100 years.
WMIDD CAP water	5,000		Ak-Chin Indian Water Rights Settlement Act of 1984	Third Priority
SRP-MIC Leased CAP water	3,023		SRP-MIC Water Rights Settlement Act of 1988	Indian Priority
FMIC Leased CAP Water	4,300		FMIC Water Rights Settlement Act of 1990	Indian Priority
GRIC Leased CAP Water	15,000		GRIC Water Rights Settlement Act of 2004	CAP M&I Priority
Supplemental Groundwater – GRIC Leased CAP Water	150			Water supplies include 15,000 acre-feet, or an average of 150 af/yr over 100 years, of groundwater to supplement GRIC Leased CAP water in 2109.
Supplemental Groundwater – CAP water supplies	244.24			Water supplies include 24,424 acre-feet, or an average of 244.24 af/yr over 100 years, of groundwater to supplement CAP water supplies during shortages.
Supplemental storage & recovery	2,017			Water supplies include 201,700 acre- feet, or an average of 2,017 af/yr over 100 years, of stored water to be recovered outside AOI to supplement Hohokam CAP water & RWCD CAP water during shortages.
<b>Total CAP</b>	<b>184,706</b>			

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<b>Total Effluent</b>	<b>8,800</b>	2008 total effluent treatment capacity =308,158 af/yr		Total effluent demands include 8,800 of direct delivery from Phoenix's Wastewater Treatment Plants.
<b>Total 2025 Supplies</b>	<b>510,257.89</b>			
<b>Total 2025 Demand</b>	<b>482,836</b>			

\* Note: Abbreviations are consistent with those identified in Decision and Order No. 86-002030.0001

\*\* This document is not intended to identify every legal basis for each water source; rather, it is a brief summary of the legal basis that satisfies the assured water supply requirements for legal availability.